



## U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

Martinsburg, West Virginia 25405

www.atf.gov

JUL 25 2012

903050:ADM  
3311/2012-955  
1-59-06571Nick Russ, ATF Compliance Officer  
AO Precision Manufacturing, LLC  
1870 Mason Avenue  
Daytona Beach, Florida 32117Re: AO Precision Manufacturing, LLC, FFL#: 1-59-06571  
Sig Sauer, Inc., FFL#: 6-02-01128  
Precision Coatings, LLC, FFL#: 1-59-13098

Dear Mr. Russ:

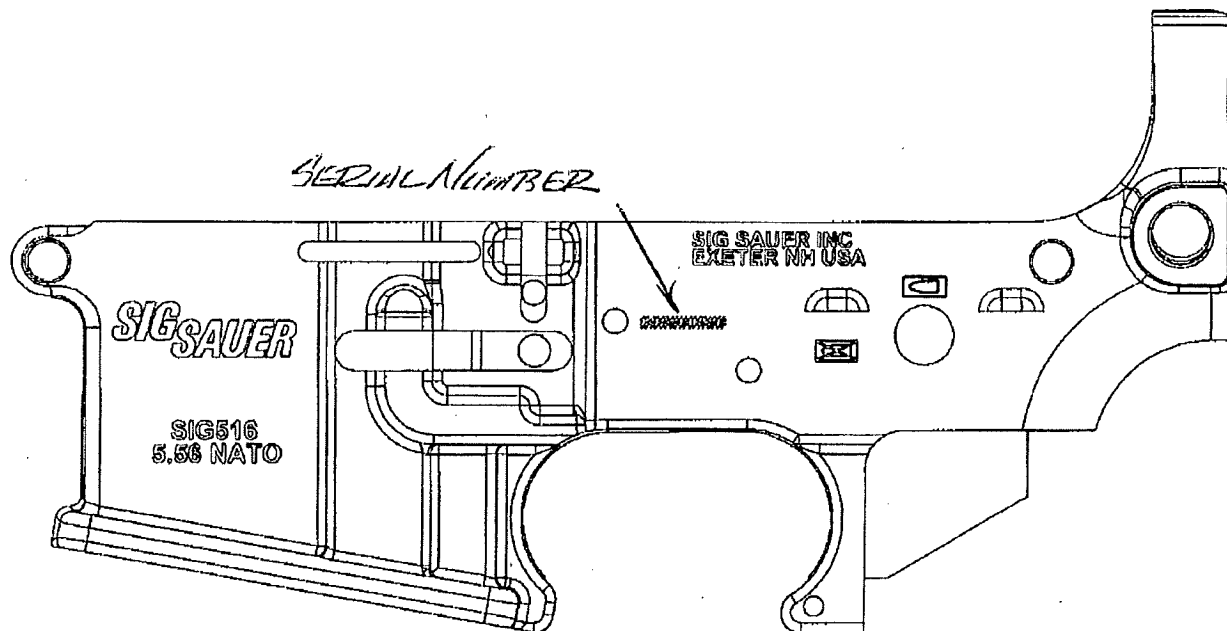
This letter is in response to your correspondence received July 10, 2012, to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Firearms Technology Branch, in which you request a marking variance from the provisions of 27 CFR Section 478.92(a)(1). The cited section requires, in part, that firearms manufactured by a licensed manufacturer must bear certain identification markings that include the name, city, and State of the manufacturer.

In your correspondence, you indicate that you are seeking a marking variance to manufacture and mark Model SIG516 semiautomatic receivers on behalf of Sig Sauer, Inc. You also state that you may be using Precision Coatings, LLC, to hard coat the receivers. Included in your correspondence, you submitted the following identifying information and drawing to indicate the required markings to be placed on the Model SIG516 semiautomatic receivers:

**SIG SAUER INC**  
**EXETER NH USA****Serial Number: 53E000001****Model: SIG516**  
**Caliber: 5.56 NATO**

19R456\_REP-000488

Nick Russ



Based upon our consideration of the information that you have submitted, we find that your request is reasonable and is not likely to hinder effective administration of the law and implementing regulations contained in 27 CFR Part 478. Therefore, AO Precision Manufacturing, LLC, is hereby authorized to use the manufacturer name, city, and State of Sig Sauer Inc, Exeter, NH, on the Model SIG516 semiautomatic receivers in lieu of placing their own licensed name and location on the receivers.

Further, the Model SIG516 semiautomatic receivers must bear individual serial numbers beginning with 53E000001 and continuing sequentially forward to 53E999999. Such serial numbers must not duplicate serial numbers appearing on any other firearms produced for or by Sig Sauer, Inc., at any other location.

This authorization applies only to the Model SIG516 semiautomatic receivers described above that are manufactured by AO Precision Manufacturing, LLC, Daytona Beach, Florida, and shipped and/or transferred to either Precision Coatings, LLC, Titusville, Florida, for hard coat processing or to Sig Sauer, Inc., Exeter, New Hampshire, for final distribution. The Model SIG516 semiautomatic receivers shipped and/or transferred to Precision Coatings, LLC, will then be shipped and/or transferred back to AO Precision Manufacturing, LLC, for final inspection before being shipped and/or transferred to Sig Sauer, Inc., for final distribution. Further, this authorization may be revised or withdrawn by ATF if unforeseen administrative difficulties should arise.

Nick Russ

In addition, you request that Precision Coatings, LLC, adopt the required markings (serial number, manufacturer name, city, and State) of Sig Sauer, Inc., in the event AO Precision Manufacturing, LLC, is under capacitated.

As of December 29, 2010, ATF issued ATF Ruling 2010-10 holding that any person licensed as a dealer-gunsmith who repairs, modifies, embellishes, refurbishes, or installs part in or on firearms (frames, receivers, or otherwise) for, or on behalf of a licensed importer or licensed manufacturer, is not required to be licensed as manufacturer under the Gun Control Act, provided the firearms for which such services are rendered are: (1) not owned, in whole or in part, by the dealer-gunsmith; (2) returned by the dealer-gunsmith to the importer or manufacturer upon completion of the manufacturing processes, and not sold or distributed to any person outside the manufacturing process; and (3) already properly identified/marked by the importer or manufacturer in accordance with Federal law and regulations.

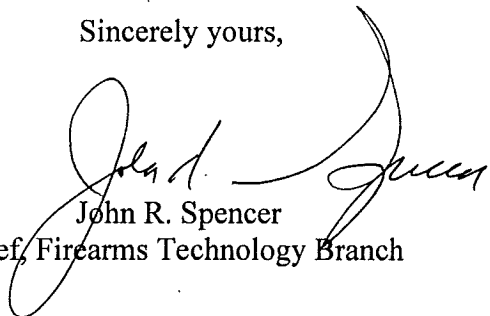
In essence, as with an individual customer, a licensed dealer-gunsmith may receive firearms (properly identified with a serial number and other information required by 27 CFR 478.92) and conduct gunsmithing services for a customer who is a licensed importer or licensed manufacturer. A dealer-gunsmith is not "engaged in the business" of manufacturing firearms because the firearms being produced are not owned by the dealer-gunsmith, and he/she does not sell or distribute the firearms manufactured.

Activities including bluing, anodizing, powder-coating, plating, polishing, heat/chemical treating are considered to be manufacturing activities, however, as discussed in ATF Ruling 2010-10, a dealer-gunsmith may perform such activities in the circumstances described in the ruling. Under these circumstances, a Type 01 license is sufficient under the Gun Control Act. Further, those who fall under the purview of Ruling 2010-10 are no longer required to submit non-marking variance requests to ATF for requests pertaining to such activities.

Since Precision Coatings, LLC, is hard coating the Model SIG516 semiautomatic receivers on behalf of Sig Sauer, Inc., they would not be required to obtain a marking variance because they would fall under the purview of ATF Ruling 2010-10 when engaged in the activities as described.

This letter does not relieve any licensee from the provision of 18 U.S.C. Chapter 44 or 27 CFR Part 478 and should be made available for examination by any officer of the Bureau. We trust that the foregoing has been responsive to your request.

Sincerely yours,



John R. Spencer  
Chief, Firearms Technology Branch

Nick Russ

cc: Sig Sauer, Inc.  
18 Industrial Drive  
Exeter, New Hampshire 03833

Additional licensee:

Precision Coatings, LLC  
701 Columbia Boulevard Building 401  
Titusville, Florida 32780